



# 2014 Healthcare Cost Committee

## Division of Insurance

Marguerite Salazar  
Colorado Insurance Commissioner



**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# *Healthcare Cost Study Group*

- Geographic rating areas, mountain areas
- Look at reality of disparities due to geography
- Bring experts together

# *Healthcare Cost Study Group*

Tracy Campbell - Director, All Payer Claims Database, CIVHC

Edie Sonn - Interim CEO and VP of Strategic Initiatives, CIVHC

Chris Tholen - VP of Financial Policy, Colorado Hospital Association

Ben Price - Executive Director, Colorado Association of Health Plans

Marc Reese - Associate Director, Colorado Association of Health Plans

Dr. Alfred Gilchrist - CEO, Colorado Medical Society

Dr. John Bender - Chairman and President, Colorado Medical Society

Debra Judy - Policy Director, Colorado Consumer Health Initiative

Amy Downs - Senior Director for Policy & Analysis, Colo. Health Institute

Kyle Brown - Senior Health Policy Analyst, Colo. Center on Law and Policy

Tom Jankovsky - Garfield County Commissioner

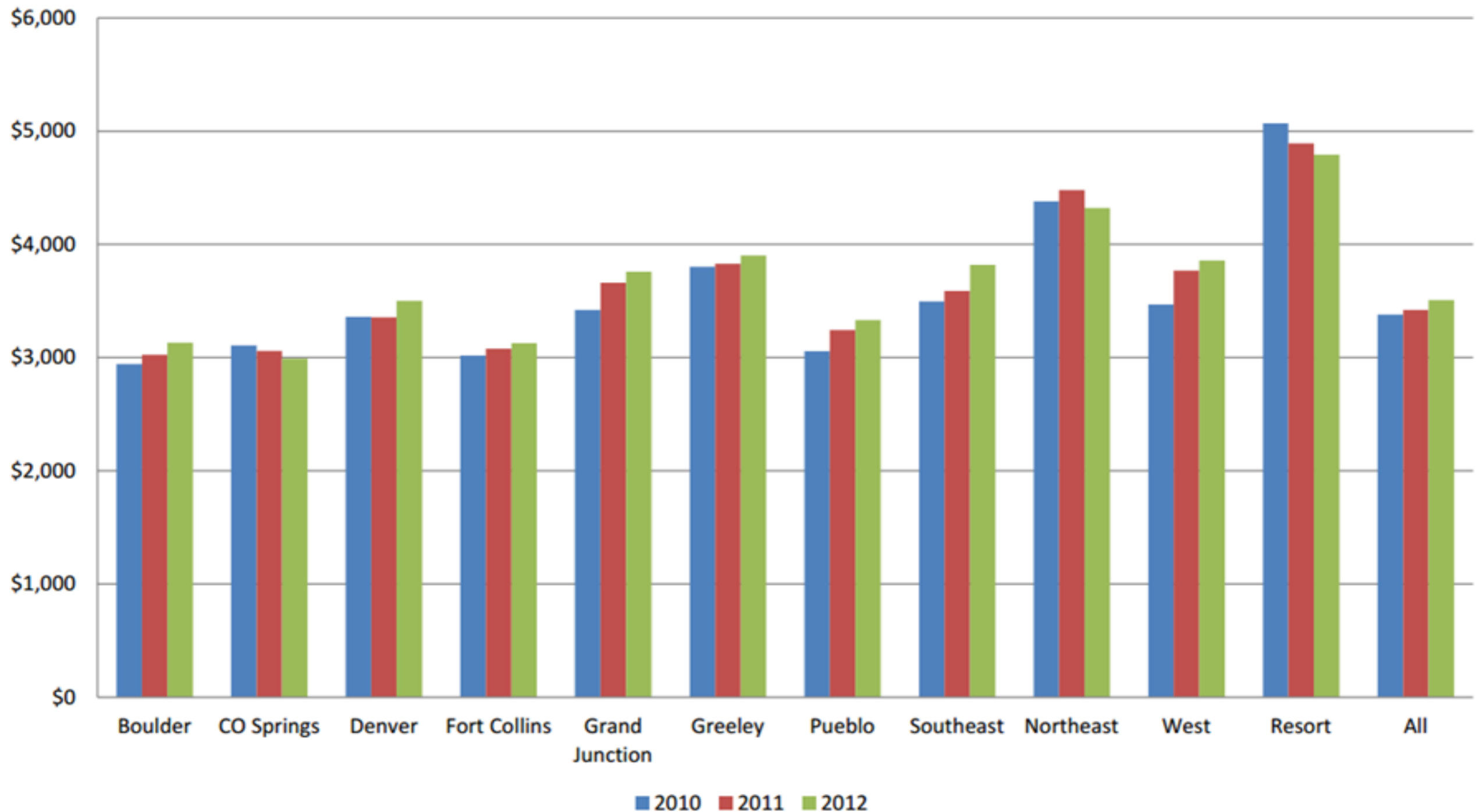
Jim Markuson - Garfield county resident

*What did we  
learn in the  
Study Group?*



# Regional Costs Vary Dramatically Across Region

**Exhibit 6: Total Cost adjusted for Age/Gender (Chart View)**



# *Areas Needing Further Study*

- Specialty drugs
- Provider networks

# *Health Insurance Premiums*



# *How Premiums Are Formulated*

INDEX RATE

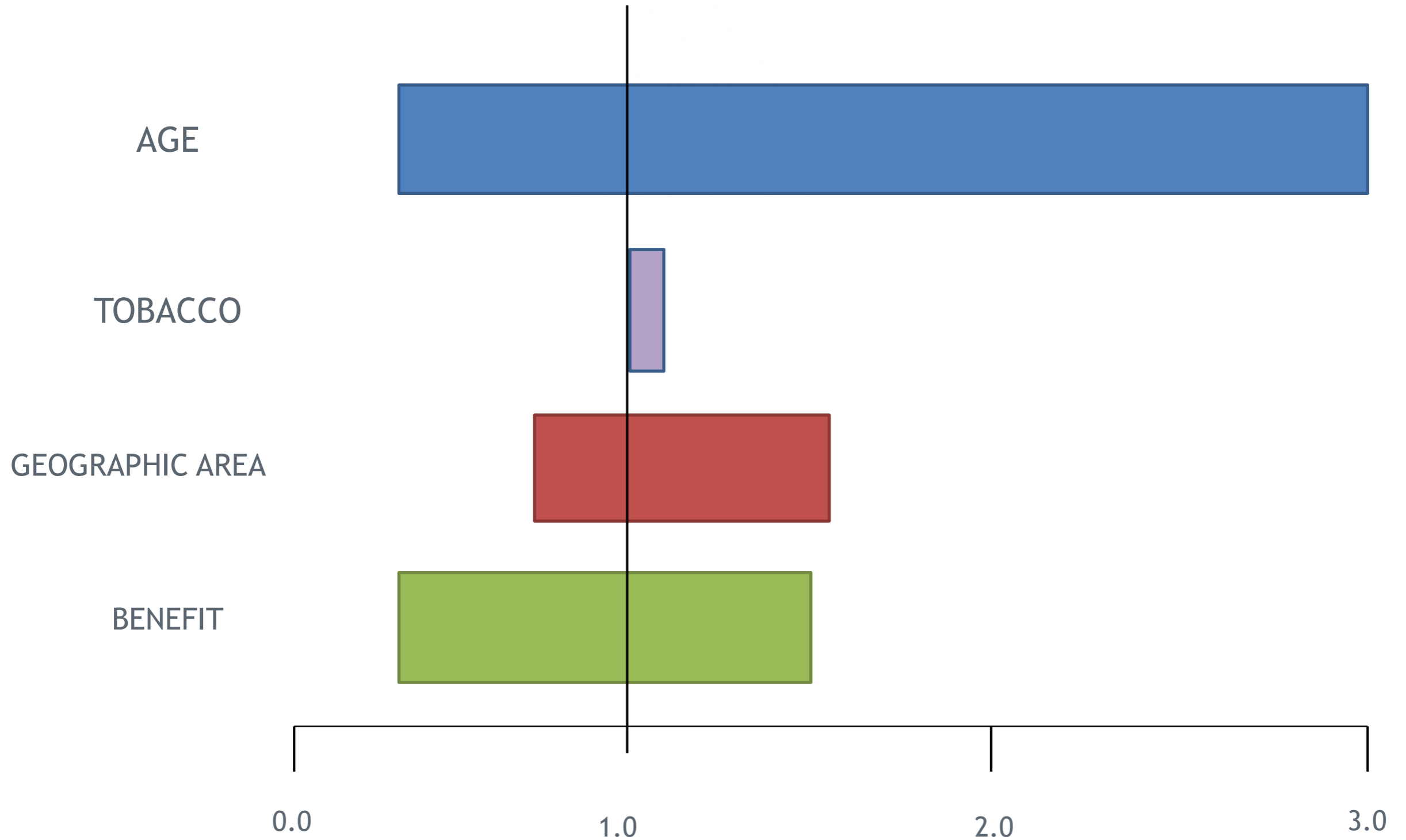


Rating Factors



PREMIUM

# Rate Factor Variation



# Premium calculation

Index Rate	\$250.00
Age Factor	1.278
	X
Tobacco Use	1.05
	X
Geographic Rating Area	.875
	X
Benefit Factor	.925
	=
PLAN PREMIUM	\$271.52

# *Premiums for 2016*

- Colorado carriers submitted rate filings for 2016 on May 29. Approved plans and rates for 2016 will be available in September.
- Why are we hearing about increases in other states?

# *How Health Insurance Premiums are Determined*

[https://youtu.be/iE6-w\\_hBTrg](https://youtu.be/iE6-w_hBTrg)



# Questions?

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